



# Transmission Planning

***Tom Vitez***

***MPSC Planning Consortium Meeting***

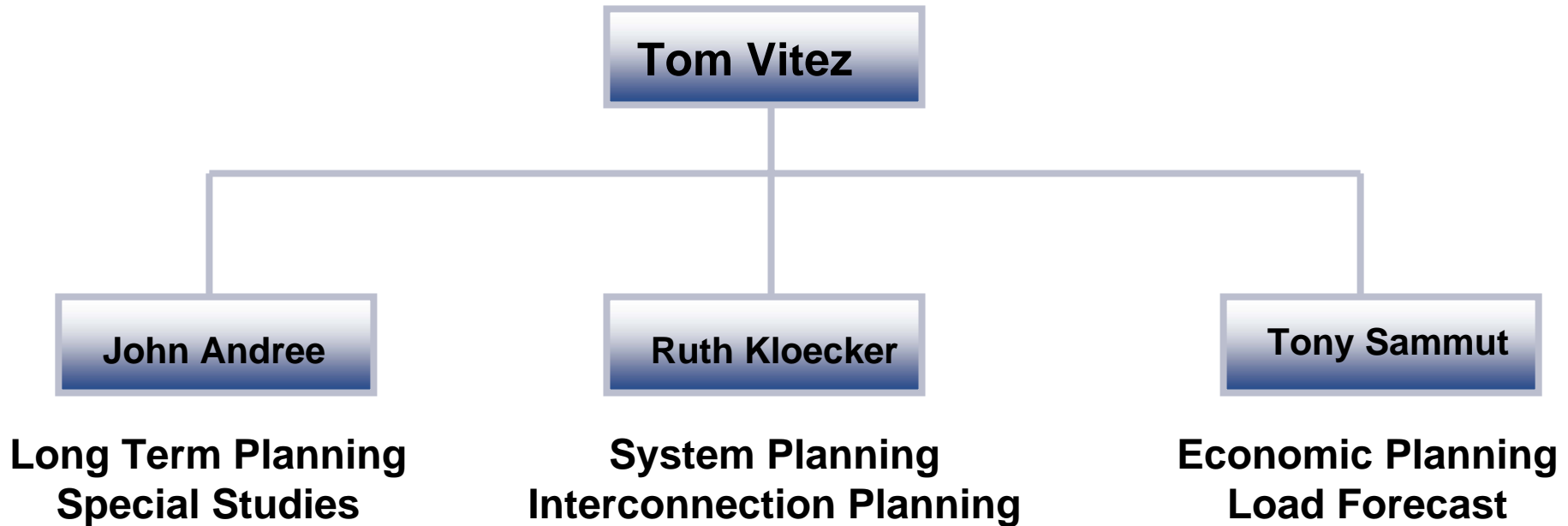
***August 26, 2008***

# ***Today's Topics***



- ***ITC (ITC Transmission and METC) Transmission Planning***
- ***FERC Order 890 planning requirements***
- ***Information sharing limitations***

***The ITC Planning Organization has integrated ITC  
Transmission and METC Planning.***



# ***Key ITC Planning Activities***



- ***Active participants in MPSC's 21 st Century Energy Plan and Capacity Needs Forum***
- ***ITC has periodically reviewed with MPSC staff our view of potential transmission system issues***
- ***ITC actively participates in planning forums at the Midwest ISO (MISO)***
- ***ITC submits projects to MISO***
- ***ITC shares project information with stakeholders periodically through the Partners in Business Meetings***
- ***ITC meets regularly with Detroit Edison, Consumers Energy and others to exchange information.***

# ***ITC Submits Projects to MISO***



## ***1. Project Types***

- a. Network Upgrades***
- b. Interconnections***
  - b1. Generation Interconnections***
  - b2. Distribution Interconnections***
  - b3. Transmission to Transmission***
- c. Maintenance Replacements***

## ***2. ITC's Submittals for projects to be approved by MISO typically include:***

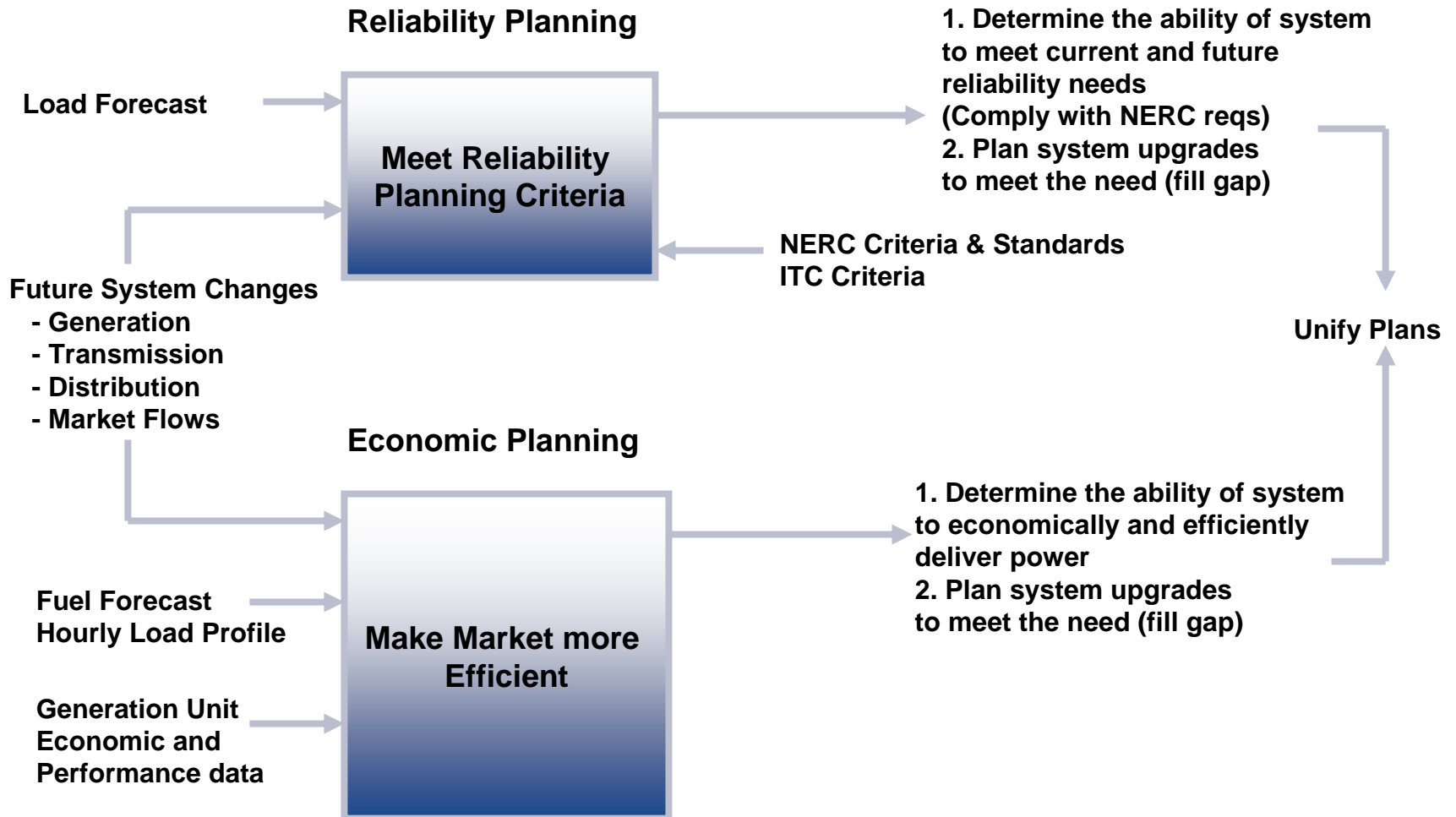
- a. General Problem Statement***
- b. Summary of Planning Level Results***
- c. Additional Considerations used to help in making the determination between proposals***
- d. Contingency Analysis Results***
- e. Proposals***
- f. Diagram of Recommended Proposal,***
- g. Cost Estimates***
- h. Long Range Vision for the Area if Pertinent***

# ***Project Information that ITC shares with Stakeholders***



- 1. Generator Interconnection Studies are reviewed with an Ad Hoc Committee of Potentially Affected System Owners. ITC monitors all potentially affected systems and provides the data to the relevant parties.***
- 2. Generator Interconnection Study Reports are posted for all Stakeholders to review on the MISO Web Site.***
- 3. Distribution Interconnections are reviewed and a connection proposal is provided to the connecting entity.***
- 4. Ad Hoc Meetings are requested with the MPSC Commission and Staff to discuss special projects being constructed within Michigan to discuss issues and any special considerations.***
- 5. Partners in Business Meetings – ITC will present projects where ITC is asking for MISO approval.***

# Planning is a future oriented activity that relies on many forecasts.



# ***FERC Order 890 – Purpose of the final rule.***



Source: FERC Order 890 Fact Sheet

- ***To strengthen the pro forma OATT (1) to ensure that it achieves its original purpose of remedying undue discrimination***
- ***To provide greater specificity in the pro forma OATT to reduce opportunities for the exercise of undue discrimination, make undue discrimination easier to detect, and facilitate the Commission's enforcement.***
- ***To increase transparency in the rules applicable to planning and use of the transmission system. Order 890 mandates nine planning principles***



## **Nine Planning Principles**

(1) OATT - Open Access Transmission Tariff

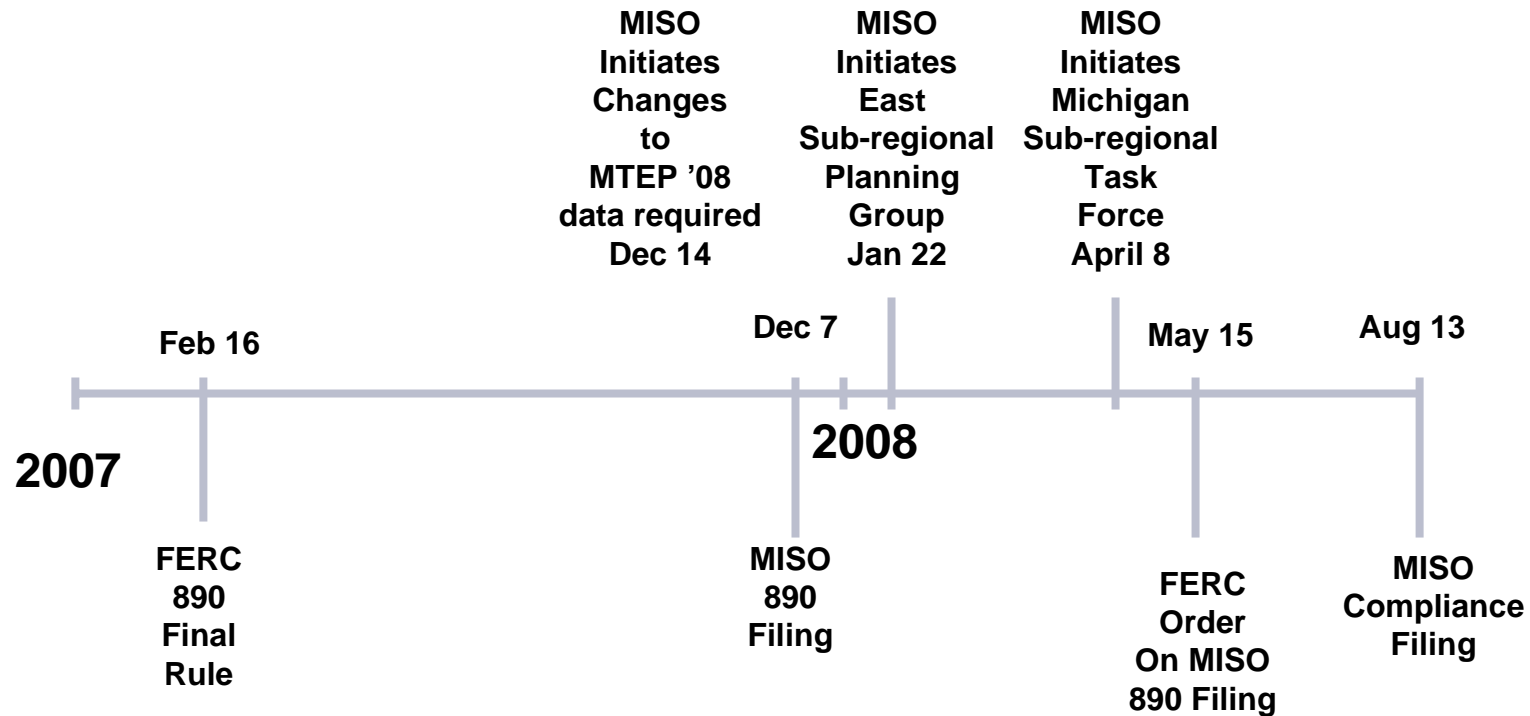


# FERC Order 890 Planning Principles



- 1) **Coordination** – Meet with Transmission Customers and Interconnected neighbors to develop a transmission plan on a non-discriminatory basis.
- 2) **Openness** – The planning process open to all affected parties
- 3) **Transparent** – Disclosure to all transmission customers and other stakeholders the basic criteria, assumptions, and data that underlie the transmission system plans.
- 4) **Information Exchange** – Transmission customers required to submit information on projected loads and resources that is needed for planning.
- 5) **Comparability** – After considering data and comments from customers and other stakeholders, develop a plan that a) meets the specific service requests of its transmission customers, b) treats similarly situated customers comparably in system planning, c) demand resources should be considered on a comparable bases to the services provided by comparable generator resources where appropriate
- 6) **Dispute Resolution** – Transmission provider to propose a dispute resolution process to manage disputes that arise from planning process rules.
- 7) **Regional Participation** – Transmission provider to coordinate with interconnected systems to a) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and b) identify system enhancements that relieve congestion or integrate new resources.
- 8) **Economic Planning** – Identify significant and reoccurring congestion and post studies on OASIS a) location and magnitude of congestion, b) possible remedies , c) cost of congestion, d) cost associated with relieving congestion
- 9) **Cost Allocation** – Address the allocation of cost of new facilities.

# ***Evolving FERC Order 890 Planning Requirements***



**Note: MTEP- Midwest ISO Transmission Expansion Plan**

# ***FERC Order 890 Compliance Paths for Transmission Owners***



## ***1. Two paths to Order 890 Compliance related to Local Planning***

- ***Transmission Owner uses its own local planning process (FERC must approve), or***
- ***Integrate local planning into MISO's planning process***

## ***2. MISO's Planning Process for FERC 890 Compliance***

- ***25 of 27 Transmission Owners integrated their local planning process into MISO***
- ***ITC & METC selected this method***
  - ***Results in uniformity of approach across broader region***
  - ***Minimize resources required***
  - ***Help reinforce and Improve the Stakeholder/RTO process***

***Numerous changes have occurred to strengthen stakeholder participation in the MISO MTEP process.***



***For MTEP08 (Midwest ISO Transmission Expansion Plan):***

- ***Project submittals were advanced from historically being required in June to being required in January.***
- ***Project Modeling information is provided.***
- ***More detailed information on project proposals not selected***
- ***Sub-regional Meetings for Project Discussions with Stakeholders were established.***
- ***In Michigan, three additional stakeholder meetings were scheduled plus one conference call to discuss projects.***
- ***Out of Cycle Review Process reserved for a limited amount of projects.***

***The MISO process is getting longer, to give stakeholders a greater opportunity to comment.***



***For MTEP09:***

- 1. Transmission Owner planning criteria is posted.***
- 2. Project Submittals for projects seeking MISO approval will be required in November 2008.***

***For MTEP10:***

- 1. A list of projects seeking MISO approval must be provided to MISO for posting on their website by September 15th, 2009 by all TOs.***
- 2. Stakeholders will have 45 days during which to provide comments prior to the Sub Regional Planning Meeting process.***

# ***Information Sharing with Stakeholders is Subject to Several Important Caveats.***



- 1. Sharing of transmission information must not compromise homeland security.***
- 2. Information shared with one market participant must be available to all market participants.***
- 3. Material that is not appropriate for public distribution must be protected. (e.g. Trade Secrets, SEC requirements, etc)***

# Summary



- ***ITC has integrated ITC Transmission's and METC's planning groups. Planning is a key component of ITC's Business Model.***
- ***ITC has chosen to use the MISO planning process to comply with FERC Order 890 Nine Planning Principles. Both MISO and ITC are responding to Order 890 requirements by changing their processes.***
- ***Transmission Information sharing has limitations.***